

Spec-Buy

(Initiation)

Flying High

Target Price (IDR)

80,000

Potential Upside (%)

820

Stock Information

Last Price (IDR) 8,700

Shares Issued (Mn) 3,125

Market Cap. (IDR Bn) 27,188

52-Weeks High/Low (IDR) 8,700/226

3M Avg. Daily Value (IDR n) 67.7

Free Float (%) 20.0

Shareholder Structure (%):

Realco Omega Investama 77.6

Edwin Pranata 2.3

Public 20.1

Stock Performance

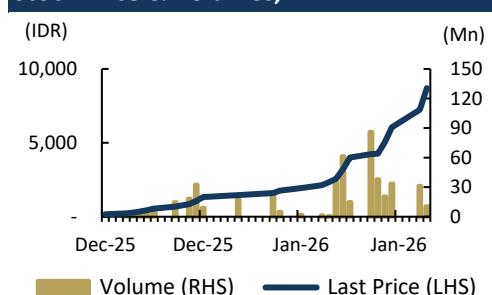
(%)	YTD	1M	3M	12M
-----	-----	----	----	-----

Absolute	393	554	5,079	5,079
----------	-----	-----	-------	-------

JCI Return	6	6	13	27
------------	---	---	----	----

Relative	387	548	5,066	5,051
----------	-----	-----	-------	-------

Stock Price & Volumes, 12M



Company Background

The founders of PT Abadi Lestari Indonesia Tbk. (RLCO), which was established in 2014, have been processing swiftlet bird nest since 1979. In 2016, RLCO started to export high quality bird nest products under the Lion Nest, Jade Nest, and Crystal Nest brands to countries like China and the US. Today, the Realfood brands with three production facilities in Bojonegoro (East Java), focuses on healthy & functional foods such as bird nest jelly, powdered collagen, chicken broth, and RTD beverages.

Kenzie Keane

+62 21 2854 8325

kenzie.keane@samuel.co.id

Jonathan Guyadi

+62 21 2854 8322

jonathan.guyadi@samuel.co.id

Strong export growth from surging wellness F&B and swiftlet nest demand. Led by Edwin Pranata as owner and CEO, PT Abadi Lestari Indonesia Tbk. (RLCO), one of Indonesia's leading bird nest processors and exporters, is set to enjoy 3-year topline CAGR (2024–2027F) of 21.5%, supported by continued solid overseas markets with favorable industry dynamics. Since 2016, RLCO has started to export semi-processed bird nest products under three brands: Lion Nest, Jade Nest, and Crystal Nest in three modern production facilities at Bojonegoro, East Java, ensuring scalability and strict quality control. Today, Indonesia supplies ~58% of the world's swiftlet nests (figure 46) with more than 85% of aggregate export demand directed to China and Hong Kong, backed by rapidly increasing bird nest consumption trend from young up-market Chinese consumers as well as rising global health awareness. These positive support factors have resulted in Indonesia's swiftlet nest exports having grown at 10-year CAGR of +15.7%.

Bird-nest-related consumer goods products to drive local & export markets. Domestically, growth in Indonesia's health-focused F&B sector bodes well for RLCO as food supplements market was valued at USD 3.24bn in 2024, before further growing to USD 4.72bn by 2030F. Therefore, we expect RLCO's consumer goods products, currently just at 15.9% of total revenues (figure 12), to grow rapidly going forward through its well-known brands such as Realfood and Momiku. Growth in RTD, RTE, and Powdered Drinks has also be secured by the management's continued products diversification to include jelly, chicken broth, collagen, and other natural protein-based innovations. In 5M25, greater development of RLCO's consumer products division had boosted YoY revenue growth to IDR 231bn or +48%, helped by new export market penetration to Thailand in 4Q25. Looking ahead, overall revenue growth will also be enhanced by the company's plan to go into the Vietnam market starting in 2026F, before further extending its export reach to the US and the Phillipines.

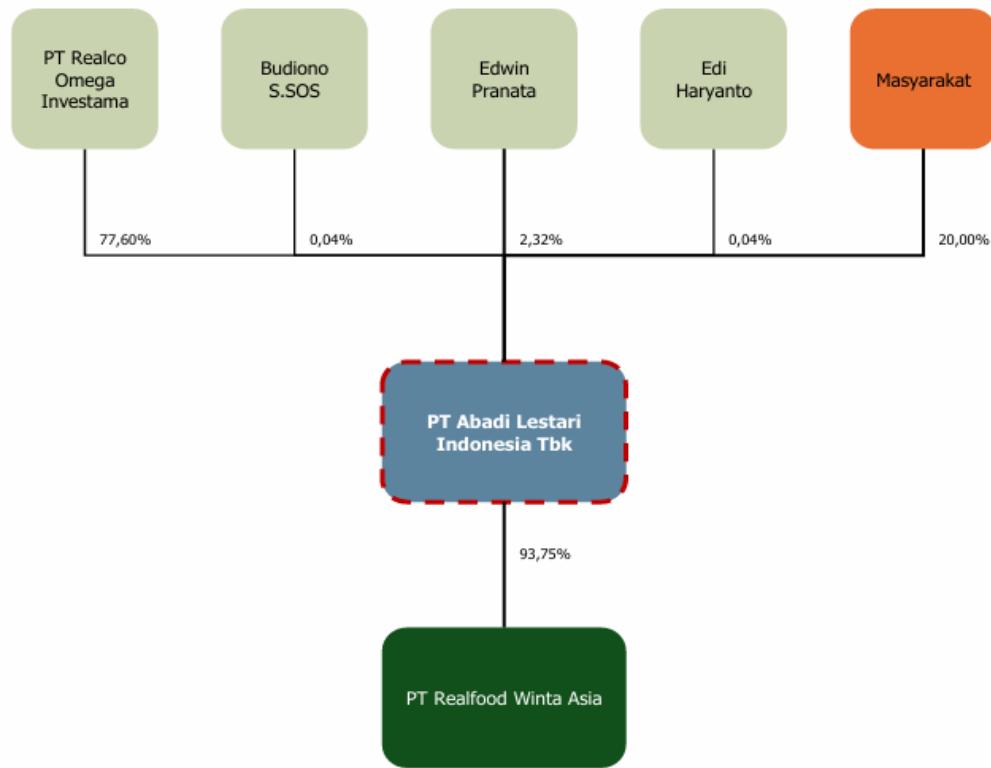
820% price upside stemming from potential Big Cap MSCI Indonesia inclusion. In terms of earnings, RLCO is on track to beat our 2025F net profit estimate by c.15%, which should bode well towards the stock's sentiment. Based on our calculation, assuming adj-market cap augmentation to IDR 5.5tn or IDR 8,800/share, RLCO could potentially qualify for inclusion in MSCI Small Cap Index. However, we set our TP at IDR 80,000/share (+820% upside potential), in line with our RLCO's post-entry into the MSCI Large Cap Index with adj-market capitalization of IDR 50.1tn. Spec-Buy. Key risk to our call: MSCI inclusion delays applying downward pressure on stock price movements.

Key Data, Ratios & Valuations (at closing price IDR 8,700 per share)

Y/E Dec	23A	24A	25F	26F	27F
Revenue (IDR Bn)	468	530	635	773	952
Operating Profit (IDR Bn)	42	60	75	99	128
Net Profit (IDR Bn)	7	9	35	54	77
EPS (IDR)	3.0	3.7	11.0	17.1	24.5
EPS Growth (%)	(15.2)	25.3	196.0	55.3	43.0
P/S (x)	46.5	41.0	42.8	35.2	28.6
P/E (x)	2,923.4	2,332.2	787.9	507.4	354.8
P/BV (x)	563.8	338.1	82.8	71.2	59.3
ROE (%)	23.0	18.1	17.6	15.1	18.2
ROA (%)	1.6	1.6	4.8	6.4	8.5
Net Gearing (%)	941.2	691.2	67.7	67.1	64.9

Company Profile

Figure 1. Ownership Structure



RLCO holds 93.75% stake in PT Realfood Winta Asia (RWA), its consumer goods subsidiary

Sources: RLCO, SSI Research

Figure 2. Milestones

Year	Achievements
2014	The company was established under the name PT Abadi Lestari Indonesia on August 2014.
2016	The company commenced operations as an exporter of raw edible bird nest to international markets.
2017	Obtained ISO 22000 certification, strengthening its food safety management system.
2018	Secured GACC (General Administration of Customs of China) certification, enabling exports of edible bird's nest products to the Chinese market.
2022	Received FDA approval, enhancing global credibility and expanding access to international export markets.
2023	Launched powder-format products and obtained FSSC 22000 certification, reaffirming compliance with international food safety standards
2024	The company diversified its business into poultry-based protein sources, broadening product formats and expanding its health-focused product portfolio
2025	Conducted an Initial Public Offering (IPO) and its shares were officially listed on the Indonesia Stock Exchange under the ticker RLCO.

In December 2025, the company made its debut on the Indonesia Stock Exchange under the ticker "RLCO"

PT Abadi Lestari Indonesia Tbk began operations in 2016 as a raw edible bird's nest exporter and has since grown into one of Indonesia's leading players, with export markets spanning China, the United States, and other international destinations. In line with shifting consumer preferences and rising demand for health-oriented products, the company has transformed its business model from purely raw exports to producing value-added health and functional food products. Its portfolio now extends beyond premium bird's nests to include chicken broth, collagen, and other natural protein-based innovations, offered in formats such as ready-to-drink (RTD), ready-to-eat (RTE), and powdered beverages. Additionally, the company manages several prominent brands, including Lion Nest, Jade Nest, Realfood, and Momiku, catering to both domestic and global consumers. To support its operations, Abadi Lestari currently operates three production facilities strategically located in East Java, ensuring scalability, quality control, and export readiness.

The company has evolved from a raw bird nest exporter into one of the leading producers of health-focused, value-added functional food products under brands like Realfood and Lion Nest

Figure 3. Semi-Processed Bird Nest



RLCO produces three distinct brands of semi-processed edible bird's nest with exports currently mostly concentrated in the Chinese market

Sources: RLCO, SSI Research

Through its 93.75% stake in Realfood Winta Asia (RWA), the company oversees downstream product lines in RTD, RTE, and powdered formats under well-established brands. With annual capacity of over 9mn units, RWA manufactures functional consumer goods such as jellies, jars, and powdered supplements. Amid rising demand in the beauty and wellness sector, RWA is positioning to penetrate new export destinations such as Vietnam and Thailand. These initiatives are expected to expand its market reach and serve as an incremental driver for margin expansion and overall profitability in the coming years.

Through its 93.75% stake in Realfood Winta Asia,...

Figure 4. Consumer Goods Product Portfolios



... the company drives growth in beauty and wellness foods...

Sources: RLCO, SSI Research

Figure 5. Product Portfolio

Brands	Types of Products	Price Range (IDR)
Ready-to-eat		
Realfood Cleanse	Bird nest jelly (apple extract) for detox	175,000
Realfood Jelly	Bird nest jelly	175,000
Ready-to-drink		
Momiku	Chicken bone broth	250,000-500,000
Realfood Up	Ready-to-drink bottled (210 ml)	295,000
Realfood	Instan bird nest jar (70 ml)	350,000-1,050,000
Powdered Products		
Realfood Cleanse	Vegetables, fruits, and bird nest extract (detox)	270,000
Wndr+Greens	Collagen bird nest	300,000

...by offering various downstream product lines in RTD, RTE, and powdered formats under Realfood brands

Sources: RLCO, SSI Research

Figure 6. Operating Factories



RLCO operates three factories in Bojonegoro, East Java with an annual capacity of 32 tonnes for semi-processed bird nest and over 9mn units for consumer goods products

Sources: RLCO, SSI Research

Figure 7. Expansion Plans



RLCO has entered the Chinese market with its semi-processed bird nest products and has expanded into Thailand in 4Q25, followed by Vietnam in 2026F as well as the U.S. and the Philippines in the medium term to further broaden its international presence

Sources: RLCO, SSI Research

Figure 8. Management Profile

Board of Commissioners	Position	Years of Experience	(%) Ownership
 <p>Achmad Baiquni (68 years old) is a banking executive with over 30 years of experience at BNI and BRI, including roles as President Director of BNI and Finance Director of BRI. Skilled in corporate, consumer, SME, and sharia banking, with strong expertise in credit and risk management.</p>	President Commissioner	30+	-
 <p>Jenifer Puspitasari Widjaja (32 years old) has a strong background in marketing with a particular focus on branding strategy. She earned a Master's degree in International Business and previously completed a Bachelor's degree in Architecture at Curtin University.</p>	Commissioner	10+	-
 <p>Syafriandi Armand Saleh (59 years old), capital market expert with more than 30 years of experience in operations, risk management, and leadership at top securities firms including Trimegah, Mandiri Sekuritas, and Bahana.</p>	Independent Commissioner	30+	-

Board of Directors	Position	Years of Experience	(%) Ownership
 <p>Edwin Pranata (34 years old) obtained his Bachelor of Business Administration from Seattle University. Founder and President Director with deep experience in the swiftlet nest industry, focusing on integrated wellness and consumer health businesses.</p>	President Director	10+	2.32
 <p>Dwiadi Prastian Hadi (49 years old) earned his Accounting graduate from Airlangga University and Chartered Accountant. Over 20 years of experience in finance, consulting, and audit across public and private sectors, with expertise in strategy and risk management.</p>	Director	20+	-
 <p>Witny Widjaja (34 years old) has a Bachelor's degree in Food Technology and oversees product development and operations with a focus on innovation, scalability, and quality. She specializes in processing swiftlet nests into standardized consumer health products.</p>	Director	10+	-
 <p>Ayu Amanda (35 years old) holds an MBA from University of Edinburgh, MSc from Aston University, and Bachelor of Psychology from Universitas Indonesia. Currently HR Director, with prior experience at Ernst & Young Indonesia in transformation and stakeholder management</p>	Director	10+	-

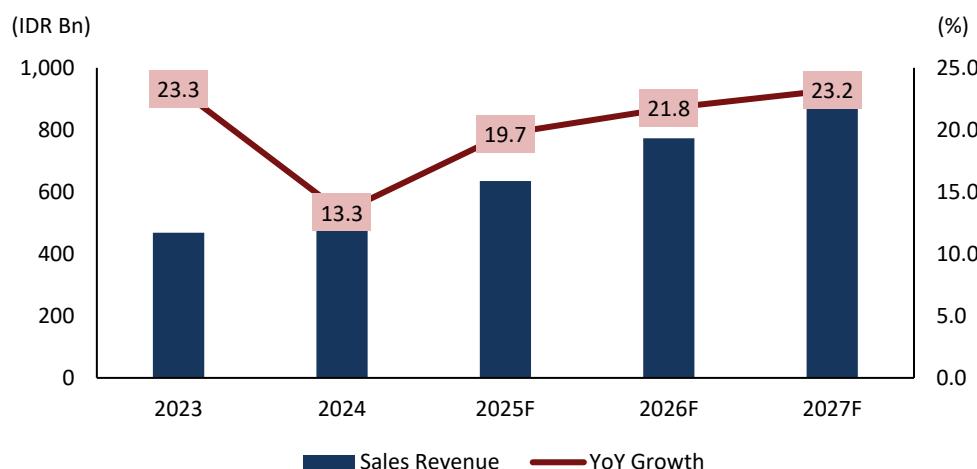
Source: Company, SSI Research

Financial Overview

We expect RLCO to deliver positive top-line growth, with a 2024–2027F CAGR of +21.5%, supported primarily by higher sales volumes in the semi-processed goods category and robust expansion in its consumer goods segment (RTD, RTE, and Powder Drink). In the medium term, management anticipates that the revenue contribution from consumer goods will surpass that of semi-processed nests. In addition, the company is tapping into new market segments in Thailand and Vietnam, which will further expand its reach, particularly in the consumer goods category.

Expected revenue CAGR of +21.5% in 2024-27F...

Figure 9. Revenue vs. Growth YoY



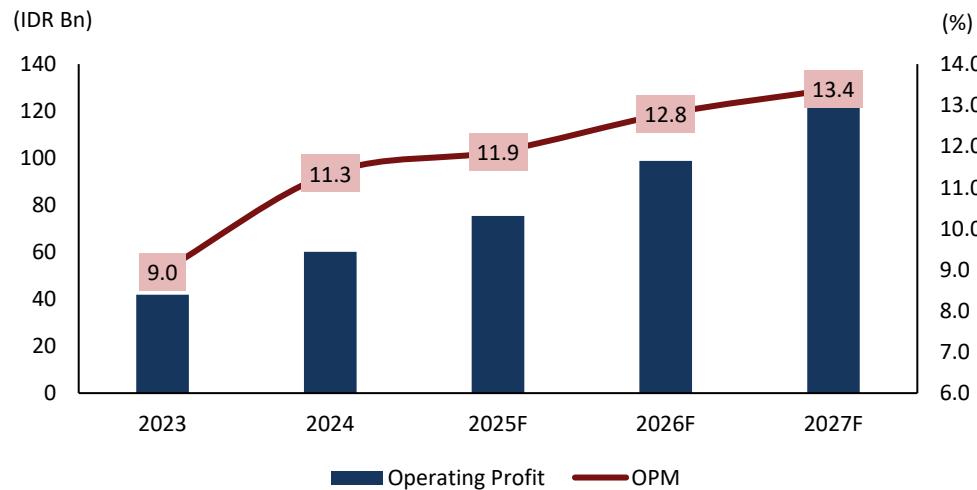
...on the back of higher semi-processed sales and strong consumer goods growth (RTD, RTE, Powder Drink)

Sources: RLCO, SSI Research

On the profitability front, we project operating profit to grow at a 3Y CAGR of +28.5%, helped by operating efficiencies in 2025F and more favorable revenue mix led by higher margin consumer goods segment in 2026-27F. Furthermore, the recent entry into new export markets is expected to provide additional margin uplift, with management setting its next targets on the US and Philippines markets.

We expect margins to improve...

Figure 10. Operating Profit vs. Operating Profit Margin Trends



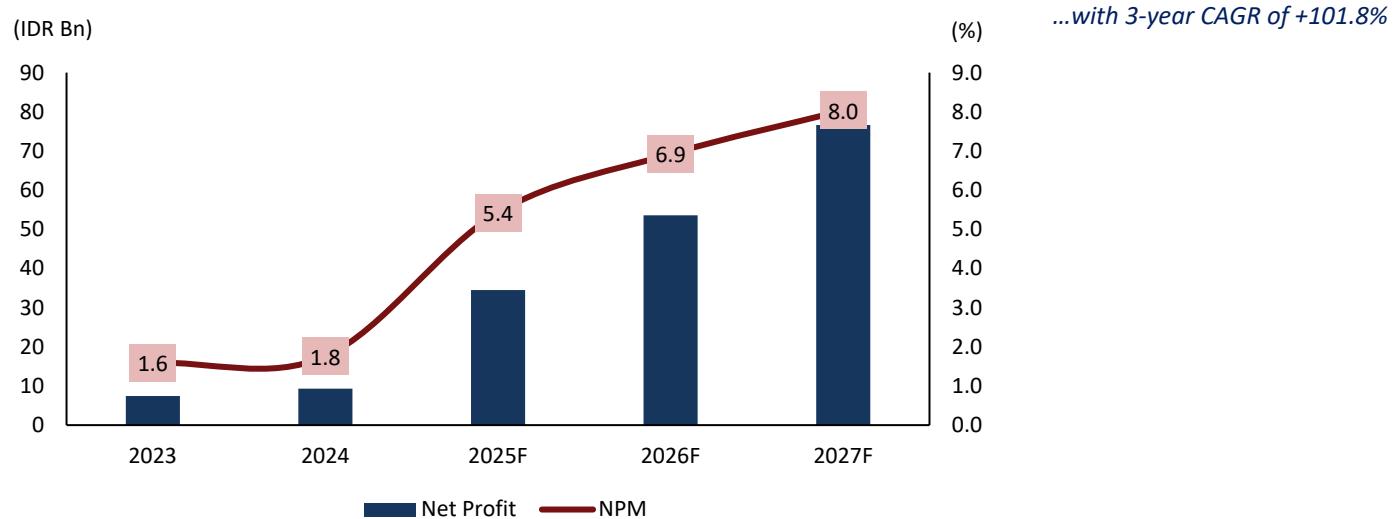
...helped by operating efficiencies in 2025F and more favorable revenue mix led by higher margin consumer goods segment in 2026-27F

Sources: RLCO, SSI Research

Thus, RLCO is expected to deliver robust bottom-line growth with a 3-year CAGR of 101.8% from 2024–2027F, underpinned by: 1) stronger sales volume from the semi-processed goods segment, 2) accelerating momentum in consumer goods (RTD, RTE, and Powder Drink), and 3) margin expansion from a more favorable product mix. The company also targets to broaden its market reach by penetrating new geographies, particularly Thailand and Vietnam, with further expansion into the US and Philippines markets.

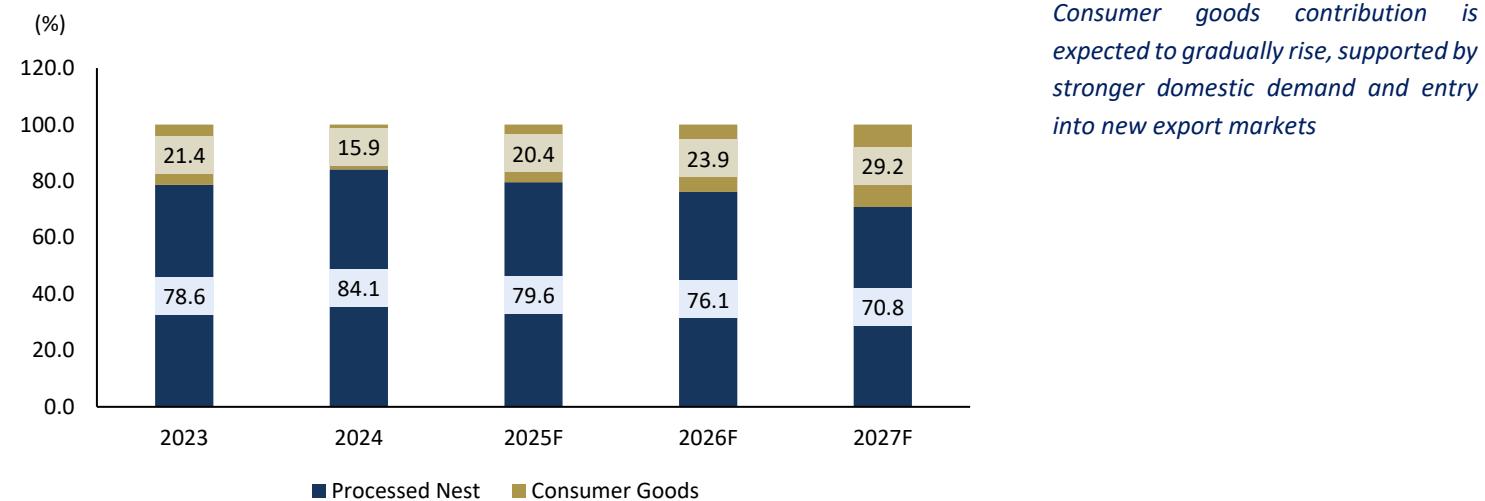
Strong bottom-line performance...

Figure 11. Net Profit vs. Net Profit Margin Trends



Sources: RLCO, SSI Research

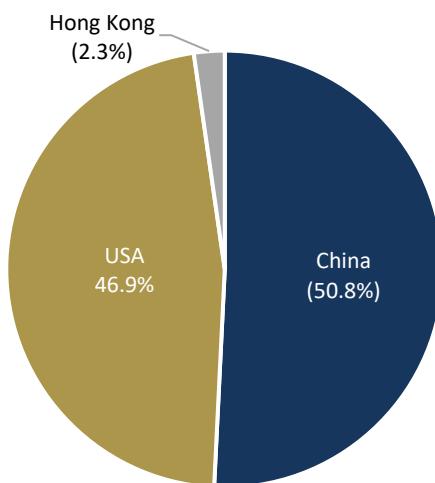
Figure 12. Revenue breakdown by segment



Sources: RLCO, SSI Research

Consumer goods contribution is expected to gradually rise, supported by stronger domestic demand and entry into new export markets

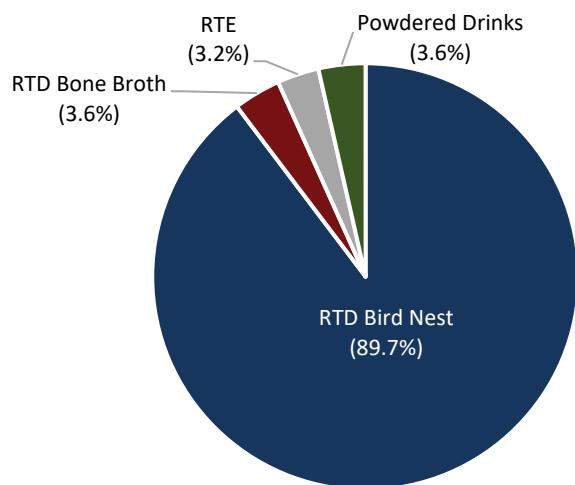
Figure 13. Revenue breakdown by segment, 5M25



China remains the largest export market, accounting for 50.8% of total exports, supported by surging consumption trend from young up-market Chinese consumers

Sources: RLCO, SSI Research

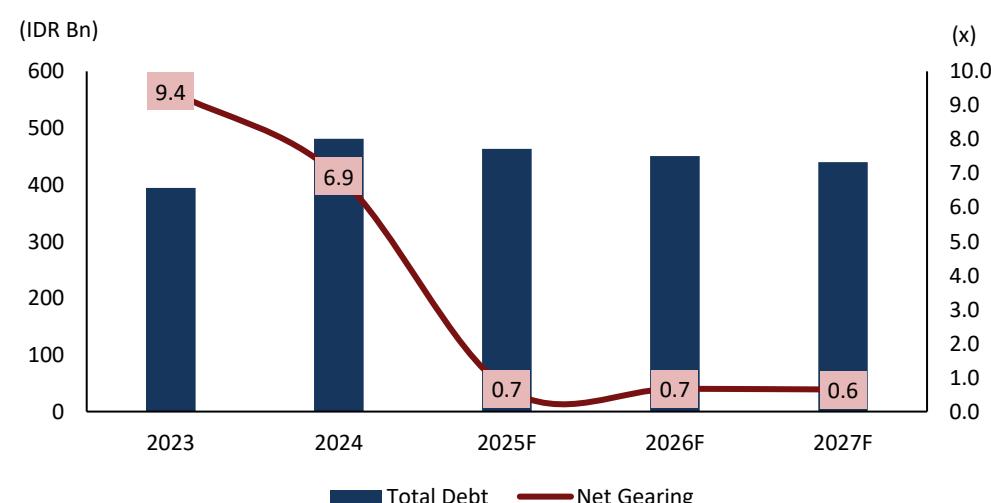
Figure 14. Consumer Goods Revenue Breakdown, 2025F



The consumer goods segment is dominated by RTD bird nest products, which account for 89.7% of 2025F consumer goods sales

Sources: RLCO, SSI Research

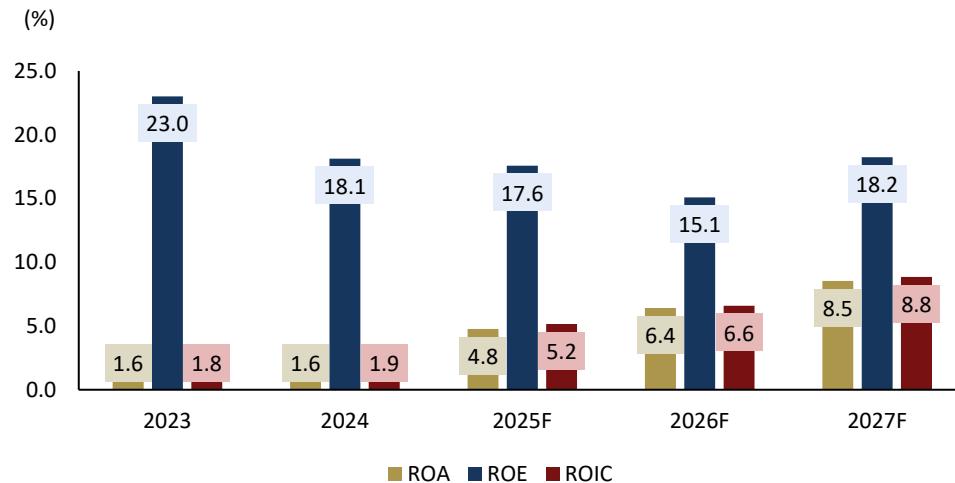
Figure 15. Total Debt vs. Net Gearing



Net gearing declined sharply following the receipt of IPO proceeds, which boosted the company's equity

Sources: RLCO, SSI Research

Figure 16. ROA, ROE, and ROIC Trends



ROA, ROE, and ROIC are projected to strengthen, supported by higher net profits ahead

Sources: RLCO, SSI Research

Valuation

In terms of earnings, RLCO is on track to beat our 2025F net profit estimate by approximately 15%, which should bode well towards the stock's sentiment. Based on our calculation, assuming adj-market cap augmentation to IDR 5.5tn or IDR 8,800/share, RLCO could potentially qualify for inclusion in MSCI Small Cap Index. However, we set our TP at IDR 80,000/share (+820% upside potential), in line with our RLCO's post-entry into the MSCI Large Cap Index with adj-market capitalization of IDR 50.1tn. Spec-Buy. Key risk to our call: MSCI inclusion delays applying downward pressure on stock price movements.

We assign Spec-Buy rating on RLCO, driven by potential market-cap re-rating, with TP of IDR 80,000 (+820% potential upside)

Figure 17. Peer Comparables

Company Ticker	Market Cap (IDR Bn)	Last Price (IDR)	EPS Gwt (%)	2025F P/E (x)	2025F P/B (x)	2025F P/S (x)	2025F ROE (%)
RLCO IJ	27,186	8,700	196.0	787.9	82.8	42.8	17.6
KEJU IJ	3,459	615	37.3	17.1	4.2	2.4	24.2
NEST IJ	1,719	418	(32.5)	94.1	4.7	4.9	5.2
MERK IJ	1,478	3,300	(11.4)	10.9	1.8	1.4	16.4
AISA IJ	1,462	157	36.0	15.5	1.3	0.8	8.6
CAMP IJ	1,259	214	(35.5)	20.1	1.3	1.1	6.4
Sector	36,564		147.5	593.6	62.4	32.4	16.8

Sources: Bloomberg, SSI Research

ROE remains solid at 17.6%, outperforming the sector average of 16.8%

Financial Highlights

Figure 18. Profit and Loss

Y/E Dec (IDR Bn)	23A	24A	25F	26F	27F
Revenue	468	530	635	773	952
Cost of Goods Sold	(387)	(423)	(510)	(614)	(749)
Gross Profit	81	107	125	159	203
Operating Expenses	(39)	(47)	(49)	(60)	(75)
Operating Profit	42	60	75	99	128
D&A	16	15	16	19	24
EBITDA	58	75	91	118	151
Finance Income	-	-	0	2	2
Finance Costs	(25)	(28)	(30)	(29)	(28)
Other Incomes (Expenses)	(0)	(2)	(0)	(2)	(2)
Pre-tax profit	16	30	45	70	100
Income Tax	(4)	(7)	(10)	(15)	(22)
Other Adjustments	(5)	(14)	-	-	-
Minority Interest	(0)	(0)	(0)	(1)	(1)
Net Profit	7	9	35	54	77

Source: RLCO, SSI Research

We expect revenue will increase at 2024-2027F CAGR of +19.4% due to higher sales from semi-processed nest and new export markets

Figure 19. Balance Sheet

Y/E Dec (IDR Bn)	23A	24A	25F	26F	27F
Cash & equivalents	28	32	241	194	142
Receivables	116	160	155	189	233
Inventories	194	239	200	240	294
Others	0	0	0	0	0
Total Current Assets	392	548	707	751	821
Fixed Assets	103	88	105	109	113
Other Non-Current Assets	0	1	1	1	1
Total Assets	495	637	812	860	935
ST. Bank loans	346	445	439	437	434
Payables	4	7	7	9	11
Other Current Liabilities	57	82	11	17	24
Total Current Liabilities	406	534	458	463	469
LT. Bank Loans	49	36	24	14	6
Other LT Liabilities	1	1	1	1	1
Total Liabilities	456	572	483	478	476
Minority Interest	0	1	1	1	1
Total Equity	39	65	329	383	459

Source: RLCO, SSI Research

Stronger balance sheet position following the IPO

Figure 20. Cash Flow

Y/E Dec (IDR Bn)	23A	24A	25F	26F	27F
Net Profit	7	9	35	54	77
D&A	16	15	16	19	24
Changes in Working Capital	(28)	(95)	43	(67)	(89)
Others	(10)	(29)	(64)	(17)	(24)
Operating Cash Flow	(14)	(99)	29	(11)	(12)
Capital Expenditures	(14)	-	(33)	(23)	(29)
Others (Sales of Assets)	(0)	(1)	-	-	-
Investing Cash Flow	(14)	(1)	(33)	(23)	(29)
Net - Borrowings	18	87	(18)	(13)	(11)
Other Financing (IPO Proceeds)	5	17	230	-	-
Financing Cash Flow	24	104	212	(13)	(11)
Net - Cash Flow	(4)	4	208	(47)	(52)
Cash at Beginning	32	28	32	241	194
Cash at Ending	28	32	241	194	142

Cash ending balances continue remain at elevated levels post-IPO...

Source: RLCO, SSI Research

Figure 21. Key Ratios

Y/E Dec	23A	24A	25F	26F	27F
Gross Profit Margin (%)	17.4	20.2	19.7	20.6	21.3
Operating Margin (%)	9.0	11.3	11.9	12.8	13.4
Pre-Tax Margin (%)	3.5	5.7	7.1	9.0	10.5
Net Profit Margin (%)	1.6	1.8	5.4	6.9	8.0
Return on Equity (%)	23.0	18.1	17.6	15.1	18.2
Debt to Equity (%)	1,022.8	748.0	141.0	117.9	95.9
Net Gearing (%)	941.2	691.2	67.7	67.1	64.9

...with net gearing to remain manageable at 64.9% in 2027F

Source: RLCO, SSI Research

Industry Overview

State of Consumers in Indonesia

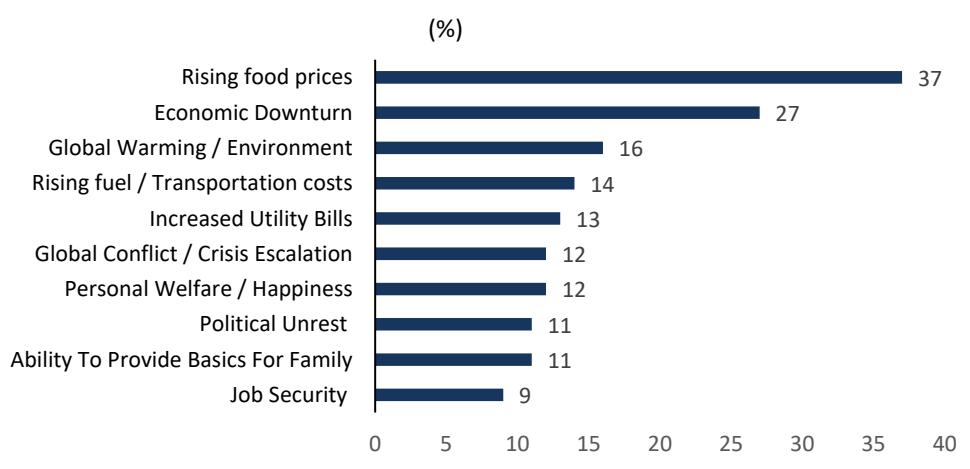
Similar to global state of consumer trend, we expect Indonesia's consumer spending to remain soft in 2025F, as concerns over economic instability and rising living costs lead to more cautious purchasing behavior. According to PwC survey, 50% of Indonesian consumers are worried about the economy and cost of living—higher than global and APAC averages of 42% and 44%. Despite this, more Indonesians feel better off than worse off financially (38.4%), much higher than global average of -2.6%. However, consumer confidence tells a different story. Rising food prices and economic uncertainty have made consumers more selective and strategic with their spending, as reflected in the drop of proportion of 'Thrivers'—those who feel financially secure—in 1H24, compared to 1H23 and 1H22. Additionally, 83% of respondents reported seeking additional income sources beyond their primary jobs, while 23% said they would consider increasing personal debt to maintain their lifestyle. These findings align with Kantar's expenditure survey, which revealed that household spending grew +7.6% YoY in FY24. The growth was driven primarily by upper-class consumers (monthly spending of at least IDR 10.5 million), who contributed ~27% to total household expenditure. Meanwhile, middle class (IDR 5.2 million/month) showed the slowest growth at +6.1% YoY, despite accounting for the largest household share (~41%). Lower-income households (IDR 3.4 million/month) saw their spending rose +7.8% YoY, contributing ~32% to overall household expenditure.

The available data suggests that most middle-class consumers allocate larger portion of their spending toward necessities, with less directed toward savings or durable goods—indicating strong focus on meeting basic needs. A similar pattern is observed among lower-income households, who also prioritize essential spending over savings. In contrast, upper-class consumers demonstrate greater spending flexibility, allocating more of their budgets beyond food and necessities to discretionary categories.

Consumer appetite in Indonesia remains weak due to subdued purchasing power

Middle- and lower-income segments allocate most of their wallet share to necessities

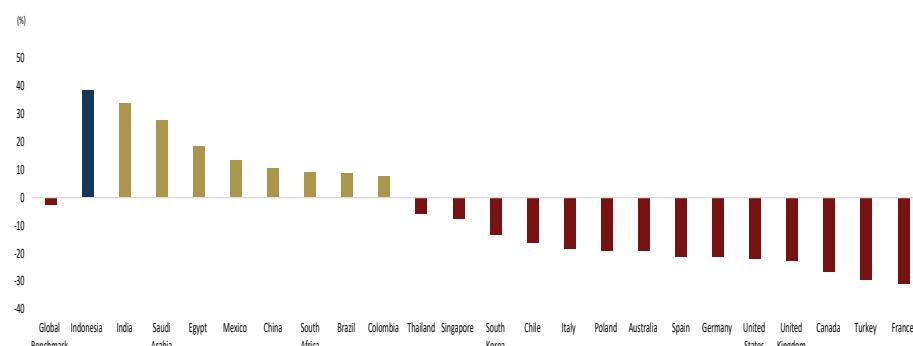
Figure 22. Indonesia's Consumer Saving Strategies, 2024



Rising prices of basic necessities have emerged as primary concern for Indonesian consumers

Source: Nielsen, SSI Research

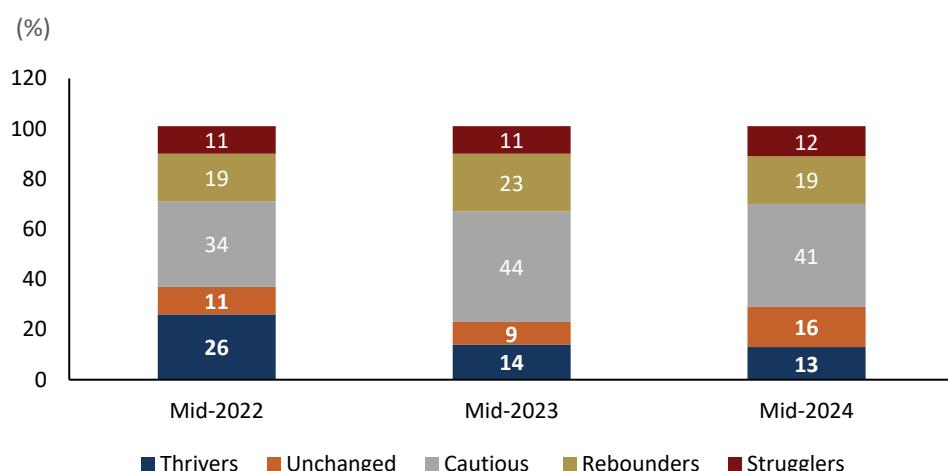
Figure 23. Global Consumer Survey 2024



Source: Nielsen, SSI Research

Survey results suggest that more Indonesians feel better off than worse off financially (38.4%), much higher than global average of -2.6%

Figure 24. Financial Situation Nielsen Survey based 1H22-1H24



Source: Nielsen, SSI Research

'Thrivers', or financially secure consumers, saw a drop in numbers during 1H24

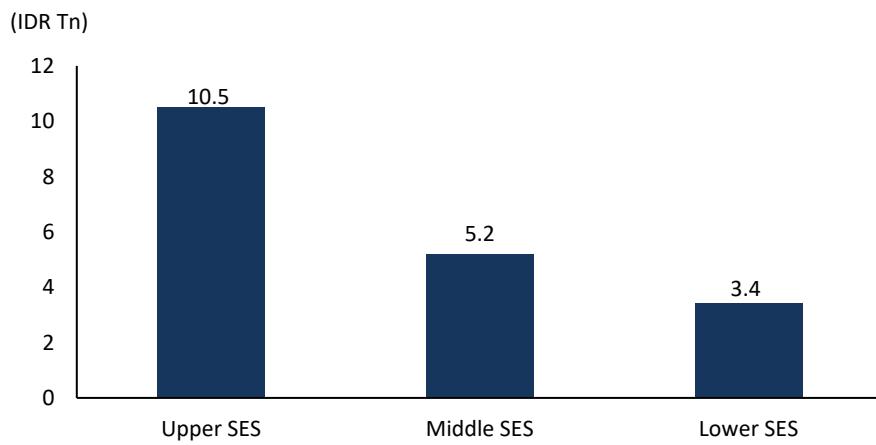
Figure 25. Consumer Saving Strategies, Indonesia 2024



Source: Nielsen, SSI Research

Value-driven purchasing behavior is becoming increasingly common among Indonesian consumers

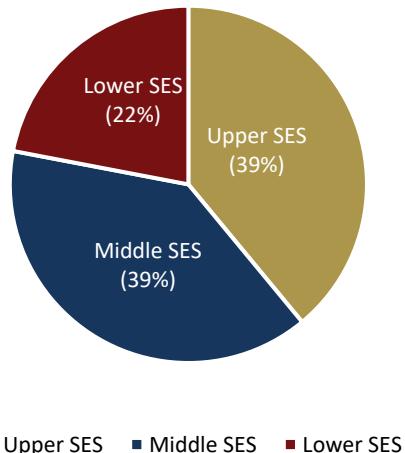
Figure 26. Monthly Expenditure based on SES, 2024



Upper SES and Middle SES are contributing...

Source: Kantar, SSI Research

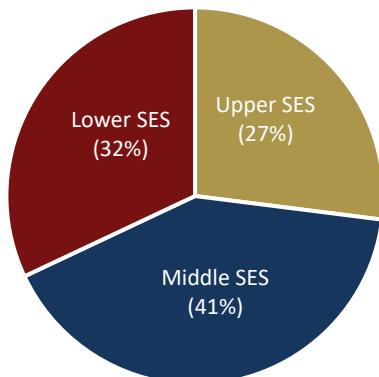
Figure 27. Indonesia SES contribution to total Expenditure Survey FY24



...78% to total Kantar's expenditure survey data spending...

Source: Kantar, SSI Research

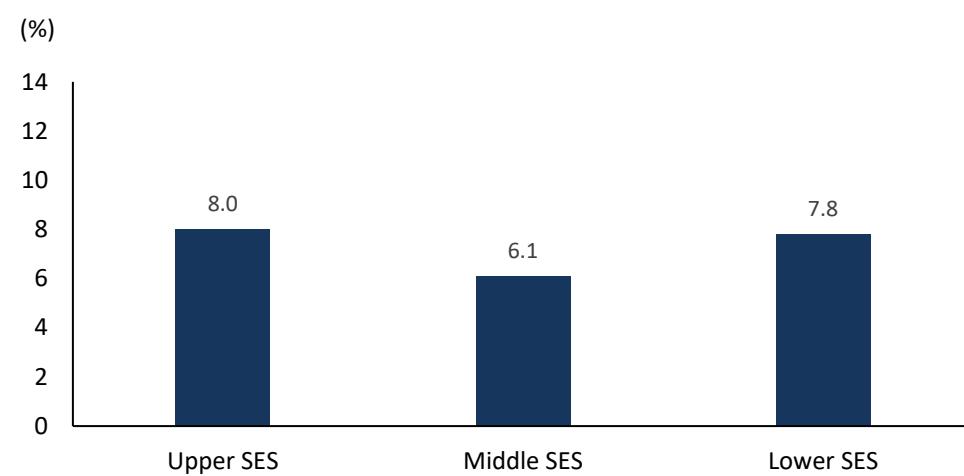
Figure 28. Indonesia's Households split based on SES FY24



...73% of total Households

Source: Kantar, SSI Research

Figure 29. Indonesia's Spending Growth (Based on SES FY24)



Upper SES spending are still splurging in terms of their spending, while...

Source: Kantar, SSI Research

Figure 30. Increase in Spending Basket by Category (Based on SES, FY24)

Total Spending Increased			
Upper SES	Education	Fashion	Transportation
Middle SES	Fresh Food	FMCG	Fashion
Lower SES	Fresh Food	FMCG	Fashion

...mid-low SES focuses their spending on basic necessities, which further reflected on...

Source: Kantar, SSI Research

Figure 31. Decrease in Spending Basket by Category (Based on SES, FY24)

Total Spending Decreased			
Upper SES	Fresh Food	FMCG	Agriculture
Middle SES	Saving	Durable Goods	Housing
Lower SES	Saving	Housing	Investment

...decrease in their total savings.

Source: Kantar, SSI Research

The downtrading trend among Indonesian consumers has been affecting brand loyalty in FMCG landscape since the post-COVID period. This trend is evident in surveys conducted by Nielsen and Kantar, which indicate that consumers are increasingly driven by promotions to keep their shopping baskets within budget. Shoppers have also become more explorative in seeking better value-for-money options—such as larger pack sizes at the same price or products offering innovation and novelty—leading to greater brand variety in their purchases. This shift is more pronounced among upper- and lower-income households, while middle-income consumers face tighter spending constraints due to widespread layoffs and financial pressures.

Brand loyalty is eroding, especially among the upper- and lower-income segments

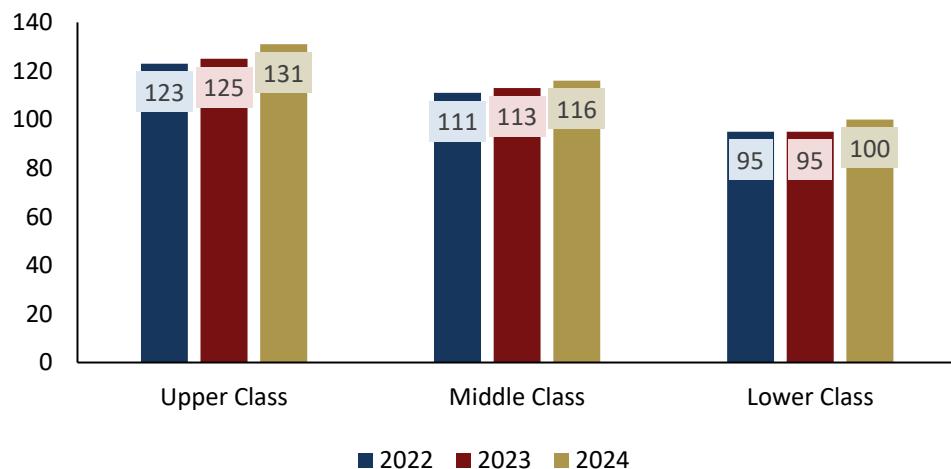
Figure 32. Consumer Saving Strategies Indonesia 2024



Source: Nielsen, SSI Research

Better deals and value have become the top priorities for Indonesian consumers when making purchase decisions, outweighing brand loyalty and preference

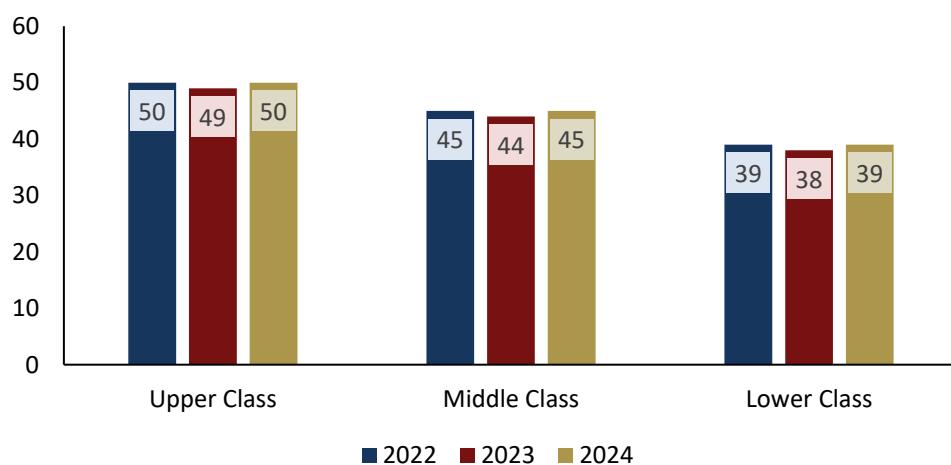
Figure 33. Average Number of Brands Purchased by Shopper Groups



Source: Kantar, SSI Research

Middle-class shoppers are less experimental due to spending constraints,...

Figure 34. Average Number of Categories Purchased by Shopper Groups



Source: Kantar, SSI Research

...while upper- and lower-income shoppers tend to be more explorative in seeking better value-for-money options

Figure 35. Survey on Indonesian brand purchases, 2022- 2024

% of HH buy ≤ 2 brands per category	YoY 22	YoY 23	YoY 24
Cooking Oil	16.8	26.0	28.9
Cooking Milk	83.4	84.9	84.4
Sweetened Condensed Milk	84.0	84.7	85.7
Snack	15.4	15.7	17.6
Noodle	22.0	21.7	24.3
RTD Tea	60.5	60.4	60.9
Breakfast Cereal	91.0	90.9	91.9
Liquid Milk	42.4	42.4	41.9
Water (non galon)	70.0	70.1	69.7
Moisturizer	84.5	81.7	80.0
Cleanser	76.8	76.3	74.9

Source: Nielsen, SSI Research

More and more people choose to leave more expensive, well-known brands, and ...

Figure 36. Survey on promotional product purchases in Indonesia, 2022-2024

Category (%)	YoY 22	YoY 23	YoY 24
Breakfast Cereal	14.0	14.0	20.0
Cooking Milk	14.0	16.0	18.0
Cooking Oil	22.0	33.0	39.0
Noodle	9.0	10.0	12.0
Liquid Milk	14.0	18.0	23.0
Mineral Water	6.0	6.0	9.0
Snack	14.0	17.0	18.0
Sweetened Condensed Milk	15.0	20.0	29.0
RTD Tea	14.0	17.0	20.0
Moisturizer	15.0	19.0	20.0
Cleanser	17.0	19.0	22.0

Source: Nielsen, SSI Research

...increasingly relying on promotions to keep their shopping baskets at a manageable level

The trend also matches global developments. According to surveys, many industry executives believe that raising prices will no longer drive revenue growth, as it may trigger consumer pushback and significantly reduce demand. This is because consumer resilience has reached its limit—shoppers are increasingly comparing current prices to pre-COVID (2019) levels. Despite inflation normalizing, prices remain elevated, and purchasing power continues to decline. As a result, consumers are down-trading, seeking substitutes, or even exiting certain categories altogether. In response, global FMCG companies are adjusting their price-pack architecture to enhance profitability while aligning with consumers' value-seeking behavior.

"Value for money" has become the central theme in shaping FMCG price-pack architecture

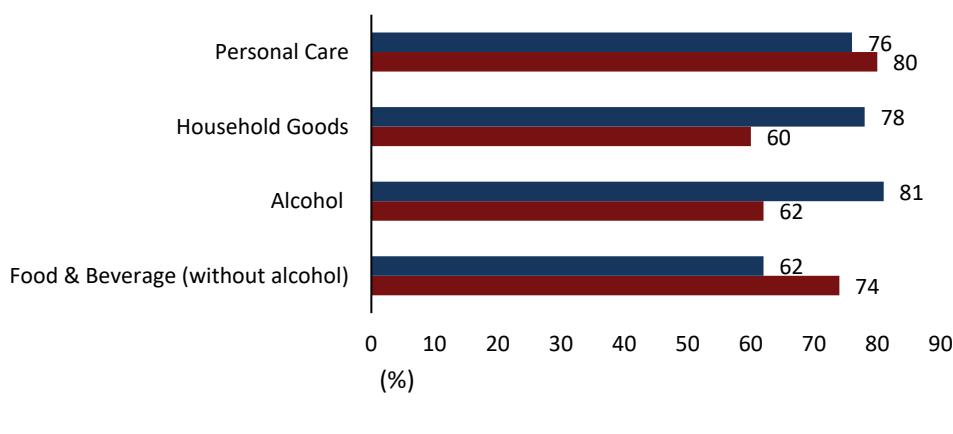
Figure 37. Survey on Reasons for Brand Switching, 2024



Value for money is now the leading driver of brand switching, as consumers prioritize affordability and perceived benefits over brand loyalty amid rising living costs

Source: PWC, SSI Research

Figure 38. Survey on Price Pack Architecture by Category, 2025



Most FMCG executives have opted to offer a greater variety of SKUs

Source: Deloitte, SSI Research

Figure 39. Pricing Strategy Survey 2025

For many surveyed companies, price-taking strategies face headwinds in 2025

Percentage of executives who agree or strongly agree with each statement

Statements relating to Pricing Strategy	Total	Food and beverage	Household goods	Personal care	Fashion and apparel
Despite inflation easing, consumers are still negatively comparing the higher prices they pay now with the lower prices they were paying in 2019 (pre-COVID)	64%	66%	67%	60%	60%
We cannot count on higher prices to drive revenue growth in 2025	51%	50%	62%	47%	45%
Our retailers will aggressively push back on further "price-taking" (raising product prices)	47%	42%	58%	51%	45%
Our prices can go up by more than 3% without materially decreasing consumer demand	30%	30%	38%	24%	28%

Most industry executives believe that raising prices will negatively impact revenue growth in 2025

Notes: Total respondents, n = 250; food and beverage, n = 120; household goods, n = 45; personal care, n = 45; fashion and apparel, n = 40. Question: Thinking about your pricing and volume strategies for 2025, to what extent do you agree or disagree with the following statements?

Source: Deloitte Consumer Products Industry Outlook survey, 2024.

Source: Deloitte

In Indonesia's FMCG landscape, beauty category posted strong value and volume growth in 2024 at +16% YoY and +6% YoY, signaling rising willingness to spend and solid opportunity to drive premiumization. In contrast, the personal care segment saw more limited growth as shoppers prioritized value-for-money options, often trading up in pack sizes. Other non-F&B FMCG categories, such as home care and pantry essentials, remained relatively stable, reflecting their status as staple goods. Looking ahead to 2025F, we expect value growth across most of these segments to remain subdued, as consumers are unlikely to significantly expand their basket sizes amid economic uncertainty and soft purchasing power. A similar trend may emerge in the beverages segment, where rising soft commodity prices—particularly coffee, driven by unfavorable weather in key producing countries like Brazil and Vietnam—could shift demand further toward value-for-money alternatives, dampening growth potential. This thesis is reinforced by the increasing popularity of in-home café-style products, including liquid milk, RTD tea, and RTD coffee, highlighting Indonesian consumers' continued caution in discretionary spending.

Beauty product demand remains strong, while growth in other FMCG categories has slowed amid more cautious consumer spending

Figure 40. Indonesia's In-Home FMCG Segment Growth, FY22-24

Metric	Sector	YTD Oct 23 Vs 22	YTD Oct 24 Vs LY
Value Growth	FMCG in Home	4%	7%
	Personal Care	7%	2%
	Home Care	4%	4%
	Pantry Essentials	6%	5%
	Baby	-2%	2%
	Beauty	15%	16%
	Snacking	3%	13%
	Dairy	-2%	9%
	Beverages	6%	10%
Unit Growth	FMCG in Home	0%	2%
	Personal Care	9%	-3%
	Home Care	5%	2%
	Pantry Essentials	0%	2%
	Baby	-5%	10%
	Beauty	6%	6%
	Snacking	-5%	11%
	Dairy	-7%	7%
	Beverages	-2%	0%
Price / Unit Growth	FMCG in Home	4%	4%
	Personal Care	-1%	5%
	Home Care	-1%	2%
	Pantry Essentials	6%	2%
	Baby	3%	-7%
	Beauty	9%	10%
	Snacking	9%	2%
	Dairy	5%	2%
	Beverages	8%	10%

The beauty segment maintained strong momentum in FY24, leaving room for premiumization, while most other categories were driven by value-for-money purchases, limiting basket uptrading

Source: Kantar, SSI Research

Figure 41. Consumer Spending on in-home café-products, FY22-24

Sector	Value to IH FMCG (%)	YoY 23 Value	YoY 24 Value	YoY 23 Volume	YoY 24 Volume
Liquid Milk	2.8	-2.9%	22.7%	-3.9%	22.7%
RTD Tea	1.1	6.7%	14.7%	0.5%	11.4%
Instant Coffee	5.7	6.0%	10.4%	-2.2%	-2.0%
RTD Coffee	0.2	14.7%	41.0%	8.4%	31.8%
Instant Tea	0.1	15.0%	17.7%	10.8%	4.6%

Source: Kantar, SSI Research

Looking ahead to 2025F, macroeconomic challenges are expected to persist, keeping FMCG spending constrained. As a result, consumers are likely to maintain cautious spending habits in anticipation of continued financial pressures. According to Kantar, in-home FMCG value growth is projected to decelerate to +4.5% YoY in 2025F (vs. +6.6% in FY24), with slower growth seen across all in-home categories. Notably, personal care—including beauty—is expected to grow by only +2.5% YoY (vs. 5.2% in FY24). Meanwhile, beverage category's growth is projected to stay close to mid-single digits, driven in part by coffee-related products, whose prices remain elevated.

Consumers are recreating café-style experiences at home with RTD beverages and RTE snacks due to economic pressures

In 2025F, FMCG spending is expected to remain subdued amid persistent macroeconomic pressures

Figure 42. Pricing Strategy Survey 2025

Categories	YoY 2023	YoY 2024	YoY 2025F
In Home FMCG	4.4	6.6	4.5
Personal Care	6.5	5.2	2.5
Home Care	3.6	4.2	3.7
Pantry Essentials	4.8	7.9	5.7
Dairy	-2.0	5.0	3.3
Beverages	7.3	8.8	5.8

Source: Kantar, SSI Research

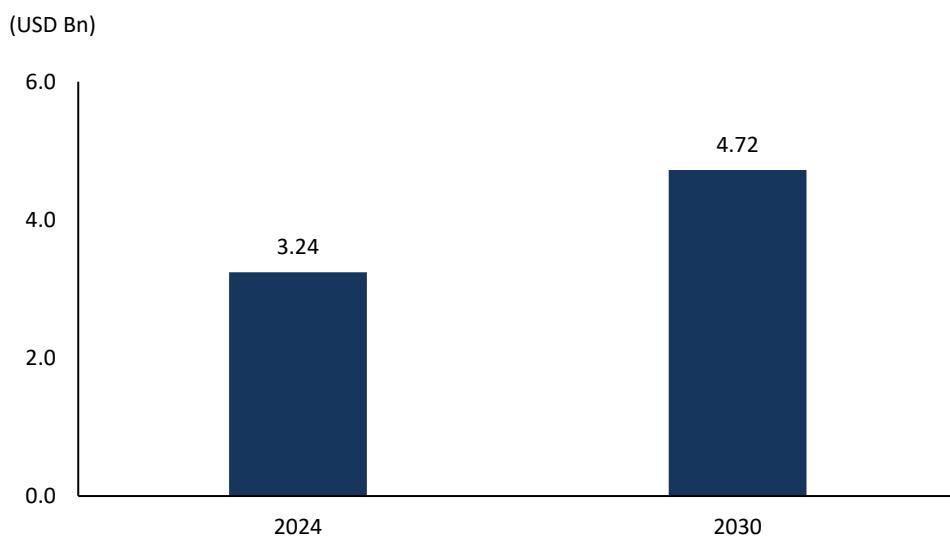
In-home FMCG growth is projected to slow in 2025F, particularly in personal care, while beverages are expected to remain stable, supported by high coffee prices

However, rising demand in Food Suplement Industry should provide Cushion...

The food supplement industry in Indonesia demonstrates strong growth potential. In 2024, the health segment's marketplace sales reached IDR 10.7 trillion, with food supplements accounting for 55% of the total segment value. Subcategories such as wellness and diet detox were key contributors, highlighting strong consumer demand for healthy lifestyles, weight management, and immune support. The food supplement market is projected to reach USD 4.72 billion by 2030, representing a 5-year CAGR of +6.4% from 2024-2030F.

Indonesia's food supplement market to reach USD 4.72B by 2030, driven by wellness trends

Figure 43. Indonesia's Suplement Market size 2030F



Food Suplement Market is expected to grow with a 5 years CAGR of +6.4% (2024-2030F)

Source: Euromonitor, SSI Research

Figure 44. Indonesia Health Market Segment, 2023



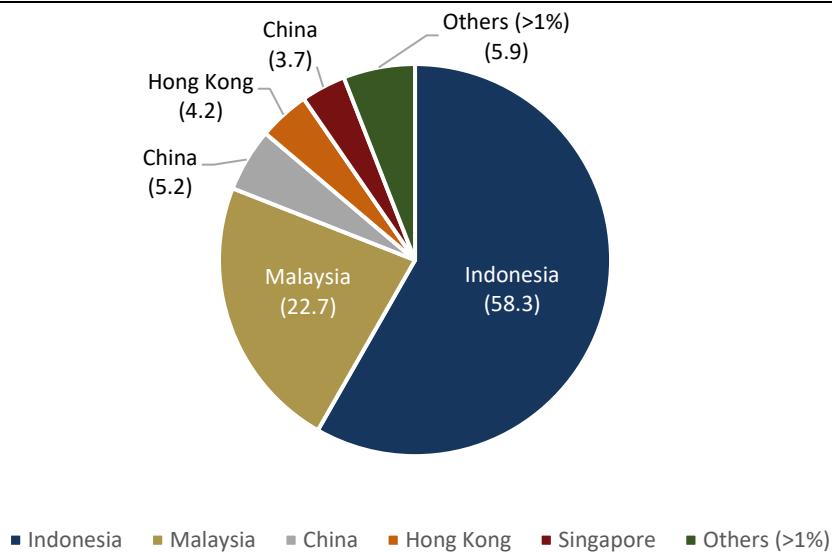
Healthy food supplements contributed the most, accounting for 55.1% in 2023

Source: Compas

In 2024, Indonesia's swiftlet nest exports continued their strong momentum, recording a 10-year CAGR of +15.7% (2014–2024). This growth has been driven by the rising popularity of edible bird's nest among younger consumers in China, with total sales increasing by +50% annually in 2019, and 60% of purchases made by consumers aged 16–35. This trend aligns with the global increase in spending on wellness-focused F&B products, as urban consumers increasingly seek convenient ready-to-drink (RTD) and value-added formats of traditional health products. Notably, approximately 58% of the world's edible bird nest supply is expected to be sourced from Indonesia. In terms of trade demand, more than 85% of Indonesia's edible bird nest exports are destined for Hong Kong and China.

Indonesia's swiftlet nest exports, supplying ~75% of the world, grew at a 10-year CAGR of +15.7%, driven by young Chinese consumers and wellness trends

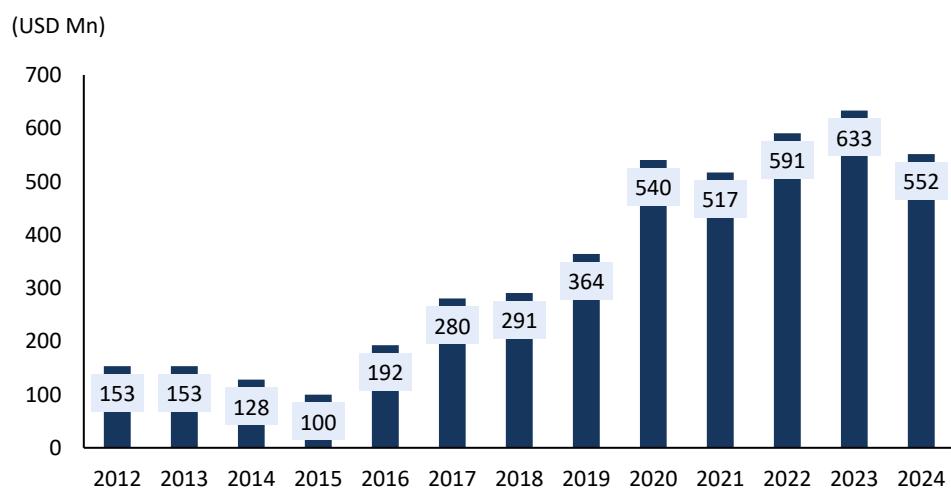
Figure 45. Global Edible Bird Nest Export Value by Country, 2024



Indonesia is the largest edible bird nest exporter, accounting for 58.3% of total global exports...

Source: BPS, SSI Research

Figure 46. Indonesia's Edible Bird Nest Export 2012-2024



...with 85% destined for China

Source: BPS, SSI Research

Research Team

Harry Su	Managing Director of Research	harry.su@samuel.co.id	+6221 2854 8100
Prasetya Gunadi	Head of Equity Research, Strategy, Banking	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Fithra Faisal Hastiadi, Ph.D	Senior Macro Strategist	fithra.hastiadi@samuel.co.id	+6221 2854 8100
Juan Harahap	Coal, Metals, Mining Contracting, Oil & Gas, Plantations	juan.oktavianus@samuel.co.id	+6221 2854 8392
Jonathan Guyadi	Consumer, Retail, Healthcare, Cigarettes, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8846
Ahnaf Yassar	Research Associate; Property	ahnaf.yassar@samuel.co.id	+6221 2854 8392
Ashalia Fitri Juliana	Research Associate; Macro Economics, Coal	ashalia.fitri@samuel.co.id	+6221 2854 8389
Brandon Boedhiman	Research Associate; Banking, Strategy, Metals	brandon.boedhiman@samuel.co.id	+6221 2854 8392
Fadhlhan Banny	Research Associate; Cement, Media, Mining Contracting, Oil & Gas, Plantations, Poultry, Technology	fadhlhan.banny@samuel.co.id	+6221 2854 8325
Jason Sebastian	Research Associate; Automotive, Telco, Tower	jason.sebastian@samuel.co.id	+6221 2854 8392
Kenzie Keane	Research Associate; Cigarettes, Consumer, Healthcare, Retail	kenzie.keane@samuel.co.id	+6221 2854 8325

Digital Production Team

Sylvanny Martin	Creative Production Lead & Graphic Designer	sylvanny.martin@samuel.co.id	+6221 2854 8100
M. Indra Wahyu Pratama	Video Editor & Videographer	muhammad.indra@samuel.co.id	+6221 2854 8100
M. Rifaldi	Video Editor	m.rifaldi@samuel.co.id	+6221 2854 8100
Raflyyan Rizaldy	SEO Specialist	raflyyan.rizaldy@samuel.co.id	+6221 2854 8100
Ahmad Zupri Ihsgyan	Team Support	ahmad.zupri@samuel.co.id	+6221 2854 8100

Equity

Joseph Soegandhi	Director of Equity Sales	joseph.soegandhi@samuel.co.id	+6221 2854 8872
------------------	--------------------------	-------------------------------	-----------------

Equity Institutional Team

Widya Meidrianto	Head of Institutional Equity Sales	anto@samuel.co.id	+6221 2854 8317
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team

Damargumilang	Head of Equity Retail	atmaji.damargumilang@samuel.co.id	+6221 2854 8309
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Denzel Obaja	Equity Retail Chartist	denzel.obaja@samuel.co.id	+6221 2854 8342
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Sylviawati	Equity Sales Support	sviawati@samuel.co.id	+6221 2854 8113
Handa Sandiawan	Equity Sales Support	handa.sandiawan@samuel.co.id	+6221 2854 8302
Yonathan	Equity Dealer	yonathan@samuel.co.id	+6221 2854 8347
Reza Fahlevi	Equity Dealer	reza.fahlevi@samuel.co.id	+6221 2854 8359

Fixed Income Sales Team

R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 2854 8104
Dina Afrilia	Fixed Income Sales	dina.afrilia@samuel.co.id	+6221 2854 8100
Muhammad Alfizar	Fixed Income Sales	muhammad.alfizar@samuel.co.id	+6221 2854 8305

DISCLAIMER: Analyst Certification: The views expressed in this research accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in his research. The analyst(s) principally responsible for the preparation of this research has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. This document is for information only and for the use of the recipient. It is not to be reproduced or copied or made available to others. Under no circumstances is it to be considered as an offer to sell or solicitation to buy any security. Any recommendation contained in this report may not be suitable for all investors. Moreover, although the information contained herein has been obtained from Source believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights reserved by PT Samuel Sekuritas Indonesia